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February 23, 2001

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By Messenger

Magalie Roman Salas, Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Re: NeuStar, Inc. Notification of Expanded Responsibilities
Numbering Resource Optimization, CC Docket No. 99-200

Dear Ms. Salas:

Enclosed for filing on behalf of NeuStar, Inc. ("NeuStar"), in its role as the North American Numbering Plan Administrator, please find an original and four (4) copies of NeuStar's Notification of Expanded Responsibilities in the above referenced docket.

Sincerely,

Frank W. Krogh
Frank W. Krogh

Enclosure

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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	CC Docket No. 99-200
Numbering Resource Optimization)	
)	

NOTIFICATION OF EXPANDED RESPONSIBILITIES

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Counsel for NeuStar, Inc.

Dated: February 23, 2001

In the Matter of)
) CC Docket No. 99-200
Numbering Resource Optimization)
)

I. INTRODUCTION

¹ *Numbering Resource Optimization; Petition for Declaratory Ruling and Request for Expedited Action on the July 15, 1997 Order of the Pennsylvania Public Utility Commission Regarding Area Codes 412, 610, 215, and 717*, CC Docket No. 99-200, CC Docket No. 96-98, FCC No. 00-429 (Dec. 29, 2000) (“*Second NRO Order*”). Section 52.12(c) authorizes the NANPA to “advise the Commission of any changes required” by new rules issued by regulatory authorities “within ten business days from the date of official notice of such files.” This petition is accordingly being filed within ten business days of the publication of the *Second NRO Order* in the Federal Register. See 66 Fed. Reg. 9528 (Feb. 8, 2001).

performing its new functions. Consistent with its earlier request for equitable adjustment,² NeuStar files this Notification simply to preserve its rights under Section 52.12(c) of the Commission's Rules should the requirements of the *Second NRO Order* ultimately prove to require operational changes.

NeuStar will continue to work cooperatively with the Commission's Common Carrier Bureau to address those areas where the NANPA's work has been expanded and to seek alternative solutions that reduce or eliminate the need for additional compensation. If any new requirements set forth in the *Second NRO Order* ultimately do in fact expand the scope of NANPA responsibilities beyond those set forth in the Commission's rules and the North American Numbering Plan Administration Requirements Document ("Requirements Document"),³ NeuStar will request the Commission to approve an appropriate compensation adjustment.

II. THE *SECOND NRO ORDER* EXPANDS THE DUTIES OF THE NANPA AND MAY WARRANT COMPENSATION ADJUSTMENTS

The *Second NRO Order* is the Commission's most recent step in its continuing effort to ensure that the numbering resources of the NANP are used efficiently and that all carriers have the numbering resources necessary to compete in the telecommunications marketplace. The *Second NRO Order* further expands upon the responsibilities of the NANPA that were set forth in the Requirements Document and the Industry Numbering Committee ("INC") guidelines referenced in and attached thereto. Specifically, the *Second NRO Order*: 1) sets utilization thresholds that carriers must meet before receiving growth codes within a rate center; 2) affirms

² Petition of NeuStar, Inc., *Petition for Compensation Adjustment, Request for Approval of Implementation Schedule and Emergency Request for Interim Relief*, CC Docket No. 99-200 (June 30, 2000) ("Petition for Compensation Adjustment").

³ North American Numbering Counsel, *Administration Requirements Document* (1997).

the existing federal rules regarding area code relief planning; 3) sets forth a comprehensive audit program to verify carrier compliance with federal rules and orders and industry guidelines; and 4) clarifies the scope of access that state commissions will have to the data and numbering resource application information that carriers are required to submit to the NANPA. NeuStar details below the possible effect that each of these provisions may have on its operations.

A. Utilization Threshold

The *Second NRO Order* adopts a 60 percent number utilization threshold that carriers must meet in order to receive growth codes in each rate center.⁴ On June 30, 2002, this threshold will increase by five percent to 65 percent, and each year thereafter increase another five percent until capped at 75 percent.⁵ State commissions employing a utilization threshold pursuant to delegated authority may continue to use their thresholds so long as they do not exceed the Commission's established ceiling of 75 percent.⁶ The utilization threshold becomes effective three months after the official release of the *Second NRO Order* in the Federal Register. Until that time, carriers are required to meet the current months-to-exhaust ("MTE") requirement before receiving growth resources.⁷ Upon the effectiveness of the utilization threshold, carriers must meet both the utilization threshold and the MTE requirement in order to obtain growth resources.⁸

⁴ *Second NRO Order* ¶¶ 22, 26.

⁵ *Id.* ¶ 26.

⁶ *Id.* ¶ 23.

⁷ *Id.* ¶ 24.

⁸ *Id.* ¶ 29.

The Commission's *First NRO Order*⁹ requires the NANPA to verify a carrier's need for growth codes.¹⁰ The *Second NRO Order* requires that the NANPA's verification procedures now include the utilization threshold requirements imposed upon carriers by the *Second NRO Order*. In compliance with the Commission's orders, NeuStar will review carriers' applications for growth resources to ensure that: 1) each carrier has provided a utilization rate on its MTE form; and 2) the reported utilization rate meets or exceeds the established threshold at the time of the submission of the application. If the utilization rate reported by the carrier is not equal to or greater than the required threshold, NeuStar will deny the carrier's request for a growth code.

The verification of carriers' utilization rates will necessitate the amendment of the MTE form and modification of the NANPA's computer system and software to accept the new utilization information. NANPA requested in its Petition for Compensation Adjustment additional compensation for the software and computer adjustments that would be required to comply with the verification requirements set forth in the *First NRO Order*.¹¹ NeuStar considers the cost of modifying its computer systems and software to recognize and accept the new utilization information required by the *Second NRO Order* to be encompassed within the compensation adjustment requested in its Petition for Compensation Adjustment, which is still pending before the Commission. The *Second NRO Order* underscores the need for additional

⁹ *Numbering Resource Optimization*, 15 FCC Rcd 7574 (2000) ("*First NRO Order*").

¹⁰ *First NRO Order* at 7610-18. The Commission noted in the *First NRO Order* that the then-current CO Code Guidelines did not require verification in connection with applications for numbering resources but, rather, allowed carriers to self-certify as to such need. *Id.* The Commission recognized that the new responsibilities set forth in the *First NRO Order* modify the procedures outlined in the CO Code Guidelines requiring carriers to demonstrate their specific need for, and readiness to use, numbering resources as a prerequisite to any application therefor. *Id.*

¹¹ Petition for Compensation Adjustment at 12, attach. § 2, and app. C.

compensation to cover these system and software changes, as presented in NeuStar’s Petition for Compensation Adjustment.

B. Area Code Relief

In the *Second NRO Order*, the Commission declines to amend the existing federal rules for area code relief or to specify any new federal guidelines for the implementation of area code relief.¹² The Commission affirms state commissions’ authority to authorize area code relief in accordance with previous Commission rulings.¹³ NeuStar has not identified any changes to the scope of its responsibilities regarding area code relief activities stemming from the *Second NRO Order*. Thus, NeuStar does not now see the need to modify its current procedures for overseeing the facilitation and implementation of area code relief. If the NANPA’s area code relief activities expand as a result of the *Second NRO Order* and create additional costs outside those anticipated in the Requirements Document, NeuStar will advise the Commission as soon as possible in order to address the need for additional compensation.

C. Audits

In the *Second NRO Order*, the Commission supplements its verification measures and data collection requirements by adopting a comprehensive audit program to verify carriers’ compliance with federal rules and orders and industry guidelines addressing effective number utilization.¹⁴ The audit program will encompass “for cause” and random audits.¹⁵ A “for cause” audit may be triggered by the Common Carrier Bureau, the NANPA or Pooling Administrator, or by a state commission that reasonably believes that a service provider has violated the

¹² *Second NRO Order* ¶ 59.

¹³ *Id.*

¹⁴ *Id.* ¶ 82.

¹⁵ *Id.* ¶ 85.

Commission's rules or industry guidelines. A "for cause" audit also may be triggered where a carrier's utilization and forecast data has been identified as inconsistent or misleading.¹⁶ It is the responsibility of the auditor to determine whether an audit is warranted.¹⁷

The NANPA has been responsible for examining data received from carriers for any anomalies and inconsistencies, and the Commission clarifies in the *Second NRO Order* that the audit program does not relieve NeuStar of this responsibility.¹⁸ Thus, NeuStar will continue to verify the data submitted by service providers as set forth in Commission rules and orders and industry guidelines.

The Commission directs the Chief of the Common Carrier Bureau to develop the audit plan, including detailed procedures for both "for cause" and random audits.¹⁹ The *Second NRO Order* does not specifically set forth the audit process; thus, it is unclear what role the NANPA ultimately will have in supporting the auditors. Audits of service providers may require the NANPA's assistance, but the extent to which such support will enlarge the scope of NANPA responsibilities cannot be determined until the adoption and implementation of a specific audit plan. Therefore, NeuStar is unable to determine any additional resources that may be required to fulfill these responsibilities until the audit process is developed and implemented. At that time, NeuStar can assess the impact, if any, on its costs and request an adjustment, if necessary.

¹⁶ *Id.* ¶ 86.

¹⁷ *Id.* ¶ 87. Moreover, the auditor may at its own discretion conduct a "for cause" audit and follow-up audits of carriers that previously were subject to "for cause" audits. *Id.* Random audits will be employed as an additional deterrent to violations of applicable rules and regulations. *Id.* ¶ 88.

¹⁸ *Id.* ¶ 93.

¹⁹ *Id.* ¶ 95.

NeuStar also will keep the Commission apprised of its activities in support of the audit process in an effort to avoid any need for additional funding.

D. State Commissions' Access to Carrier Information

The Commission clarifies in the *Second NRO Order* that state commissions must have access to *all* carrier utilization and forecast data submitted semi-annually to the NANPA:

The NANPA shall provide mandatorily reported forecast and utilization data to any requesting state twice per year, consistent with its collection of such data twice per year. Commencing with the second collection of mandatorily reported data... a state may request a single report containing disaggregated data reported by carriers operating in its state beginning 30 days after each deadline for collection of the data, up to the next deadline for reporting. Because state commissions have emphasized the need to receive the data in a format that would enable them readily to perform their own data analyses, we require that the NANPA provide the data via secured electronic transfer, which may include e-mail, or on a computer disk. NANPA shall, in the alternative upon request from a state commission, provide the data in paper copy form without any cost to the state.²⁰

The Commission also clarifies that state commissions seeking access to carriers' numbering resource applications must request copies of the applications directly from the carriers.²¹ The NANPA must deny a carrier's request for numbering resources if a state commission demonstrates to the NANPA that the carrier failed to comply with the state's request for its application materials.²² Moreover, state commissions have the authority to determine at what intervals the carriers must submit copies of their application materials. "To ensure that

²⁰ *Second NRO Order* ¶ 118. If state commissions request the data in different formats that require NANPA to process or otherwise arrange the data, NANPA may provide the customized reports as an enterprise service. *Id.* ¶ 119.

²¹ *Id.* ¶ 121.

²² *Id.* ¶ 122.

state commissions are aware of when an application for numbering resources has been submitted, state commissions may request notification from the NANPA.”²³

NeuStar provides verification to four state commissions that carriers have submitted applications for numbering resources.²⁴ Numerous other states are interested in receiving such verification or some other form of notification from the NANPA. NeuStar cannot predict how many state commissions will request notification, in what form, and at what intervals. At this time, NeuStar intends to ensure that state commissions receive notice of carrier applications for numbering resources by employing mechanisms that will not require additional funding. However, an adjustment may become necessary in light of the additional costs incurred in responding to state commissions’ requests. Thus, NeuStar retains the right to seek an adjustment in its compensation and, as stated previously, NeuStar will continue to keep the Commission informed of its activities in support of the notification process.

CONCLUSION

The expanded duties imposed upon the NANPA by the *Second NRO Order* may affect its operational functions. As discussed herein, NeuStar cannot determine the additional burden that might be placed upon NANPA resources by the requirements in the *Second NRO Order*, but assures the Commission that it will only seek additional funding for those requirements that truly expand its scope of responsibilities. NeuStar will continue to work cooperatively with the Commission to address those areas in which the NANPA’s work has been expanded and to seek alternative solutions that reduce or eliminate the need for compensation. NeuStar will endeavor

²³ *Id.*

²⁴ The commissions in Connecticut, Massachusetts, New York and Utah require carriers to concurrently send copies of their requests for numbering resources to the commissions. The NANPA verifies for each commission, usually by conference call, that the carrier applications received by the commission match with the original requests submitted to the NANPA.

to ensure that it performs its additional duties in a cost effective and efficient manner, but preserves its rights under Section 52.12(c) of the Commission's rules to petition the Commission for a compensation adjustment after the ultimate impact of the Commission's requirements is ascertained through their implementation.

Respectfully submitted,

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